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Chapter No. 432
10/HR40/R983SG
CT 1 EW

HOUSE BILL NO. 1674

Originated in House Don Richardson Clerk

HOUSE BILL NO. 1674

AN ACT TO AUTHORIZE A JOB TAX CREDIT FOR ENTERPRISES THAT OWN OR OPERATE AN UPHOLSTERED HOUSEHOLD FURNITURE MANUFACTURING FACILITY FOR EACH FULL-TIME EMPLOYEE EMPLOYED BY SUCH MANUFACTURER IN A NEW CUT AND SEW JOB; TO PROVIDE THE AMOUNT OF SUCH CREDIT; TO LIMIT THE AMOUNT OF THE CREDIT THAT MAY BE CLAIMED IN ANY ONE YEAR; TO AUTHORIZE ANY TAX CREDIT CLAIMED BUT NOT USED IN ANY TAXABLE YEAR TO BE CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) As used in this section:

(a) "Full-time employee" means an employee that works at least thirty-five (35) hours per week.

(b) "New cut and sew job" means a job in which the employee cuts and sews upholstery for upholstered household furniture and which job did not exist in this state before January 1, 2010.

(2) Any enterprise owning or operating an upholstered household furniture manufacturing facility is allowed a job tax credit for taxes imposed by this chapter equal to Two Thousand Dollars (\$2,000.00) annually for each full-time employee employed in a new cut and sew job for a period of five (5) years from the date the credit commences. The credit shall commence on the date selected by the enterprise. For the year in which the commencement date occurs, the credit will be determined based on the monthly average number of full-time employees employed in new cut and sew jobs subject to the Mississippi income tax withholding that are employed by the enterprise. For each year thereafter, the number of new cut and sew jobs shall be determined by comparing the monthly average number of full-time employees

employed in new cut and sew jobs subject to the Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. The State Tax Commission shall verify that the jobs claimed by enterprises to obtain the credit meet the definition of the term "new cut and sew job." The State Tax Commission shall adjust the credit allowed each year for employment fluctuations.

(3) The credit that may be used each year shall be limited to an amount not greater than the total state income tax liability of the enterprise. Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credits were earned.

(4) The tax credits provided for in this section shall be in lieu of the tax credits provided for in Section 57-73-21 and any enterprise using the tax credit authorized in this section shall not use the tax credit authorized in Section 57-73-21.

(5) Any taxpayer who is eligible for the credit authorized in this section prior to January 1, 2013, shall be eligible for the credit authorized in this section, notwithstanding the repeal of this section, and shall be allowed to carry forward the credit after January 1, 2013, as provided for in subsection (3) of this section.

(6) This section shall be repealed from and after January 1, 2013.

SECTION 2. Section 1 of this act shall be codified in Chapter 7, Title 27, Mississippi Code of 1972.

SECTION 3. This act shall take effect and be in force from and after January 1, 2010.

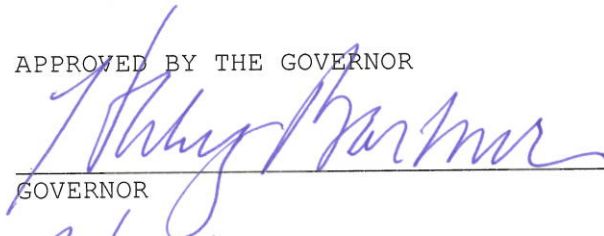
PASSED BY THE HOUSE OF REPRESENTATIVES
February 24, 2010


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 11, 2010


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR
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